

COMMITTEE ON ACCOUNTS, ENROLLMENT & REVENUE ADMINISTRATION

January 9, 2001

3:00 PM

Chairman Hirschmann called the meeting to order.

The Clerk called the roll.

Present: Alderman Hirschmann, Levasseur, Pinard, Thibault, Lopez

Messrs: J. Desrosiers, R. Sherman, J. Schaffer, W. Robinson, R. Descoteaux,
K. Buckley

Chairman Hirschmann addressed item 3 of the agenda:

Communication from Jennifer Desrosiers regarding revisions to the
Revenue Handbook.

Alderman Lopez asked in reference to item number three, photocopying...does
that mean computer copies also.

Ms. Desrosiers replied in the affirmative and stated my interest in this particular
fee it comes from when I worked in Accounts Payable and often times we would
get requests from departments to submit copies of large checks to large
organizations. They would only be charging them the \$1.00 per side. When you
think about it there was two employees from the City involved, mail time
involved, someone had to go and research and find the check, copy the check,
send it over and mostly the departments did not realize or they misunderstood that
they should be charging the \$20.00 plus the fee for each copy of the check.

Alderman Lopez asked the original document you had back in 1989 is the \$1.00
for photocopying and now you want to say you want to charge \$20.00 for a
document search and copy document. That is what you are recommending is that
correct.

Ms. Desrosiers replied in the affirmative and stated \$20.00.

Alderman Lopez asked but the photocopying and computer copy...if I walked into a department off the street and asked for a copy of something that was only one page 8X10 what would you charge me.

Ms. Desrosiers replied we were just discussing this downstairs because we had a concern from one department and what needs to happen is these two revenue sources need to be separated because of the confusion that is being caused out in the departments. Perhaps what we should do is create one particular revenue simply for people that are walking into the department and need a copy of something right then and there. I still think that \$1.00 is way too low for that when you think about the time that they need to spend getting the information from the customer, finding the information and printing it out on the copier and getting the copy. I think \$1.00 is much too low for that as well. Maybe \$20.00 is way too high for that but \$1.00 is way too low.

Alderman Lopez asked but we are talking two different things here then. When you do a research you are talking \$20.00...if I walk down to the back room and have to take ten minutes to do a research, you are going to charge me \$20.00.

Ms. Desrosiers replied in the affirmative.

Alderman Lopez asked so then your second portion is how much are you going to charge me if it is just an 8X10 copy. Are you aware that...because I have done some research on this...are you aware that the Tax Collector also has a special...

Ms. Desrosiers replied in the affirmative and stated they have a duplicate tax fee and that is \$2.00 per copy.

Alderman Lopez stated which was approved in the same way like this...so that is just for that office.

Ms. Desrosiers replied in the affirmative and stated \$2.00 per copy and \$10.00 for research and \$25.00 for mortgage companies and things that require extensive research.

Alderman Lopez asked so what are we asking from you...what do you want to hear that is what I am confused of.

Ms. Desrosiers replied what I want is...after listening to this one department's concern and your concern as well these two pieces need to be separated so that

people out in the departments understand the use of this revenue. Right now no one is charging that document search fee which is of course was only \$5.00 at the time but no one is currently charging that. So if they were getting a copy of a check from our department to give to a customer and it was ten pages long they would charge \$1.00 per copy and say \$10.00. If they did not speak to the department...the company directly and they would need to bill that company they may say it is only \$10.00 I am not going to bother charging it I am just going to send it to them and that is not right.

Alderman Lopez asked my last question on this particular item is should we not establish the whole "ball of wax" at one time.

Ms. Desrosiers replied in the affirmative and stated I agree entirely.

Alderman Lopez asked so then you would go back and determine, for example, if I am getting an 8X10 copy of something and to identify it as a copy/computer copy is going to cost me \$2.00, 11X14 document or a map like the Assessors charge \$4.00 for a map which they should be charging \$5.00 according to this document...

Ms. Desrosiers replied I am not sure but I think maps would be covered under a different.

Alderman Lopez stated I couldn't find that anywhere but...

Ms. Desrosiers stated I would have to go back to my handbook and look at that one.

Alderman Lopez asked in the copying aspect and the research aspect to put something together whether it be A, B, C or D I think would help me to say that is okay. The only caution I would say is that we have to be very careful that we do not over-charge everybody...an increase in taxes if that is the case. At this time, Mr. Chairman, I will turn it over to you if somebody else has some questions.

Alderman Thibault asked I have been here a long time and maybe sometimes too long...I remember things that happened years back and I always felt...at least that is the understanding I had that the City always tried to recover like 80% of its cost...of what it costs to do this. So when you look at your time even to make a copy of something...when you look at your time being taken away from what you are doing to go there and make this copy and send it and mail it if you have to, what does that cost.

Ms. Desrosiers replied I have not really done an analysis like that on any particular employee but obviously there is a lot of cost involved.

Alderman Thibault asked is your time \$6.00 for fifteen minutes or \$24.00 an hour or in that area or \$20.00 an hour. You are talking about the stamps; the time to make that copy and mail it plus the envelope what does that cost, do we know that.

Ms. Desrosiers replied in the negative and stated it would depend on what employee you are talking about because every employee makes a different amount of money.

Alderman Thibault asked the question in line with what Alderman Lopez is asking I certainly do not want to over-charge people. But I want to make sure that it does not cost the City more than 20% to provide that service. That is what I am looking at. Is there a way that you could come back and let us know exactly what...within a major ballpark figure here as to exactly what this is costing us. Supposing you are working on "x-y-z" and you have to get off of that to make me a copy or somebody a copy what does that cost. That is where I am coming from on that.

Alderman Pinard asked is this going to be unified throughout all the departments. Are you going to try to do that or is each department going to have their own structure of billing.

Ms. Desrosiers replied this particular copying receipt revenue which I hope to end up having two different revenues would be for everyone except for the tax department who does have their own ordinance right now and probably maps...they have the whole layout on their very complex billing.

Alderman Lopez asked I noticed down at the Assessors Office they have a lot of maps and that is a lot of work for them to put that together and overlays to give to people so that is an area that maybe you should work with the City Assessor and see what kind of...we should have like I said A, B, C, D...

Ms. Desrosiers stated a listing and in more detail so that people understand what they are billing for, I agree.

Chairman Hirschmann stated on the photocopying I do recall on within say the past year or sixteen months some individuals came into the City Clerk's Office asking for every piece of paper on the Civic Center issue and I know that the individuals that asked for it were very interested in the issue and the City Clerk

spent a lot of time. They photocopied about a three-foot stack of paper and I believe they charged them quite a lot of money for that service. So I do not know if they charge by the hour or if they went by an ordinance but I would be interested to know because the City Clerk seemed to recuperate their time.

Ms. Desrosiers stated City Clerk does other copying things as well that the State tells them how much they can charge for.

Chairman Hirschmann stated there is a Right-to-Know Act and then maybe there are some rules that go with that they tell you how to bill for it.

Ms. Desrosiers stated maybe I should also speak with the City Solicitor and get his input on if there are any kind of restrictions based on the Right-to-Know Law.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to table the first section of item 3 "Revisions to the Revenue Handbook" regarding photocopying fees.

Alderman Lopez stated there is three parts to item number three.

Chairman Hirschmann stated we took a motion on Part A of item three. Thank you for the correction, Alderman. You are absolutely right; the second part was about towing which I had a question on. I see \$30.00 scratched out and \$50.00 written in its place for the immobilization. Say someone parked on the wrong side of the street tonight and they were towed this is part of that fee.

Ms. Desrosiers replied in the affirmative.

Chairman Hirschmann asked what would the new fee be under recommendation.

Ms. Desrosiers replied the Police agreement is \$95.00 right now which includes the \$30.00.

Chairman Hirschmann asked so this would go up another \$20.00 to \$115.00 for each car towed.

Alderman Thibault asked something that has been brought up to me several times where is the time limit. Another words; if a car is parked out there at 10:00 at night and gets towed is that...

Chairman Hirschmann stated I do not think she has the knowledge.

Alderman Thibault asked but who does know maybe the Traffic Department. This has come to my attention just in the last few recent storms. There are some people that are parked there 10:00 at night let's say on the even side and they are being towed out but people on the same side at 2:00 in the morning are being towed out. So where does this end up. Is midnight the deadline of what day. So you can park there until midnight today but you cannot park there from midnight tomorrow. There is an awful lot of confusion and I have to agree with some...

Chairman Hirschmann stated we should ask the Traffic Director and our Traffic Committee. It is a legitimate question because the clock does turn after midnight.

Alderman Thibault stated and people are confused out there and they get towed and get charged \$75.00 or \$80.00 and they said we thought we were fine, Hank, we were parked on the even side on the even night and at 2:00 in the morning we get towed. I would like to make sure that we get a follow-up on that from the Traffic Department.

Chairman Hirschmann stated we could ask Tom Lolicata to come in and talk to us.

Alderman Pinard stated everybody knows that when Frank Thomas, the Highway Department calls a snow emergency at 10:00 that is when the towing starts until 7:00 in the morning. As far as the odd and even numbers that is the jurisdiction of the Police Officer and the beat they use is common sense. But the major towing, as I understand is in the snow emergency.

Alderman Lopez stated going up to \$50.00 is more than 20% and under the budget it is 20%. What I mean by that is the budget process under six under the new revenue policy and the old revenue policy was 20%, right.

Ms. Desrosiers replied in the affirmative.

Alderman Lopez stated so you are increasing it more than 20% up to \$50.00, right.

Ms. Desrosiers replied in the affirmative.

Alderman Lopez asked have you coordinated this with the Traffic Department to get their input and the Police Department.

Ms. Desrosiers replied in the negative and stated I have spoken to the Police Department about the problem that we have had with that particular revenue

because it has been in the negative for the past couple of years but I have not coordinated that.

Alderman Lopez stated I commend you for wanting to get revenue, I only caution that the people that park their cars are in a bind. Most people own two cars and at the same time a lot of them are taxpayers of the City, too. We have to be very, very careful that we are doing the right thing. If we are going to keep increasing the revenue and taxation everybody for walking out the door...somebody made a comment earlier when you have a public speaking they maybe should pay a fee to come in and speak. I would just be very careful. It has to be coordinated to make sure that this thing is really done.

Alderman Pinard asked the towing company, what is their share of the take in towing procedures.

Ms. Desrosiers replied right now they get \$65.00, I believe out of the \$95.00 and we get \$30.00.

Alderman Levasseur stated I am not going to vote for an increase. I think that \$95.00 to get towed is high enough and most of the people that are getting towed are the people that do not cannot afford to have a house and a parking spot for themselves. But I would vote for a better share of that \$95.00 if you wanted to go that way and take away a little bit more money from the towers. They are making enough money out there. With the Civic Center coming on there will be plenty of opportunities to tow. So if you would rather go that way and say instead of them getting \$65.00 they get \$50.00 and then we moved up to \$45.00 that is what I would go for instead.

Chairman Hirschmann stated Jennifer; you made a comment that this revenue has been in a deficit position. This is Police revenue. When you stated that did you just mean that the revenue underperforms what the budget is. What did you mean by that.

Ms. Desrosiers replied well Police, they put the revenues into this line and then when they pay the towing agency they pay it out of that line, I believe. They are paying their patrols; I apologize, out of that revenue line. So they are recuperating their expenses through that revenue source and thus putting it into a deficit when they do not have enough towing charges to cover the expenses of the Police patrol.

Chairman Hirschmann stated now we are onto a problem. Now we need to talk to the Police Chief. It is an administrative thing that there is a reason for the deficit.

\$30.00 is supposed to be the administrative fee the City receives for performing that. If they are charging patrol time to that revenue and making it into a deficit we have an administrative problem. I would like to table this issue and speak with the Police Department on that. If you could have the Business Administrator or the Chief, whoever wants to speak to us about this.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to table item 3, part 2 regarding towing fees, pending discussion with the Police Department at the next meeting.

Chairman Hirschmann stated part 3 of item 3 is another Traffic code piece and it is §70.39 Immobilization of Motor Vehicles for Nonpayment of Parking Fines and they want to include “/Permits” to that Ordinance. So what they are saying is someone that has issued a parking pass for a lot, if they do not pay Mr. Lolicata’s department for the lot...if they are included in this Ordinance as being an overdue permit it is just like parking in a space without putting money in the meter.

Alderman Thibault stated I have no problem with that.

Ms. Desrosiers stated I have asked Solicitor too for their input on that but I have not heard back.

Chairman Hirschmann asked did you speak with the Traffic Director, Mr. Lolicata.

Ms. Desrosiers replied in the negative and stated I spoke with Denise Tousignant.

Chairman Hirschmann stated so you did speak with that department about this issue.

Ms. Desrosiers replied in the affirmative and stated she was very happy.

Chairman Hirschmann asked they are happy with this.

Ms. Desrosiers stated she was very happy. I do not want to speak for Mr. Lolicata.

Alderman Lopez stated you have to talk to the department head not the secretaries because it is like Kevin is in charge of the Finance Department. Talk to the department head and I would recommend you get a signoff on it and that is where the confusion is. It is always vocal cords do not make sense.

Chairman Hirschmann asked what is the panel's pleasure.

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to table item Section 70.39 Immobilization of Motor Vehicles for nonpayment of parking fines adding "/permits" until full coordination is made with the City Solicitor, Ordinance Violations and the Traffic Division of the Police Department.

Chairman Hirschmann stated apparently we have a section of the Ordinance Title 5 Taxation Section 80:56 and it looks like Uncollectible Checks. The recommendation is to go from \$25.00 to \$50.00 as a fee to cover administration.

Ms. Desrosiers stated this actually is a New Hampshire Statute and what I would need is perhaps the approval to go ahead and propose this through legislation somehow to the State of New Hampshire or have the Solicitor do that. We feel that \$25.00 simply does not cover it. It is just really low and it does not cover anyone's...

Chairman Hirschmann asked so you are saying without legislation we cannot change it.

Ms. Desrosiers replied in the affirmative and stated this would have to go through the State of New Hampshire.

Chairman Hirschmann asked so I would endorse the Finance Department to sponsor a letter on the City's behalf.

Alderman Lopez asked a couple of things have to be cleared up in my mind. Uncollectible checks are the same thing as insufficient checks am I correct.

Ms. Desrosiers replied in the affirmative and stated insufficient funds.

Alderman Lopez stated the procedures that we have...the checks are written...I write a check...it goes to the bank...it goes to Finance to the bank. Insufficient funds...now I know in the revenue thing you have a redeposit...who redeposits that check, the bank or the Finance Department.

Ms. Desrosiers replied the bank redeposits it twice for you.

Alderman Lopez asked do they charge the individual for that.

Ms. Desrosiers asked the individual person whom the check is written on.

Alderman Lopez replied I wrote the check, insufficient funds, do they charge me.

Ms. Desrosiers replied your bank would charge you.

Alderman Lopez asked the second time they redeposit it, which gets charged the City or them.

Ms. Desrosiers replied the City gets charged but you would also get charged. I am not sure if you get charged once or twice for a redeposit.

Alderman Lopez stated what I would like...there are a couple of reasons why I say this...first of all I do not subscribe in charging \$50.00 and I will tell you why. Somebody goes down to get a copy of something and they forget to put some money in the bank and let's say it is \$10.00 you are going to charge them another \$50.00 when you charged them \$25.00. The only reason for this is to increase the other end where they are charging \$25.00 and \$5.00 for the bank now under the revenue thing. So you would increase that to \$50.00. It is another one of those "catch 22", we have to understand the procedures. The bank is making money off of us; at least I think so, do you.

Ms. Desrosiers replied in the affirmative and stated they make money off of everybody.

Alderman Lopez asked if the bank has insufficient checks would it be wiser to send all of those insufficient checks back to us and we collect it and we charge the person.

Ms. Desrosiers replied that is what happens when it comes back the second time...the second time it is presented and it is insufficient funds they will send it back to us.

Alderman Lopez asked but that person has already gotten charged by the bank before when they try to redeposit.

Ms. Desrosiers replied in the affirmative and stated but we still do not have our money. We are out our revenue plus we have to have someone in Finance do all the research, determine what department and talk to the department and get them to figure out what revenue source they charged it. It is a lot of time between two different departments.

Alderman Lopez stated I agree with you. I just think that \$50.00 is a lot of money for something...if I was writing...maybe a license plate for example \$37.00 and there was \$2.00 missing out of my fund and it comes back insufficient funds they call me up and I say here is some more money. I am going to get charged \$50.00 for something like that.

Ms. Desrosiers stated we do not charge on the first time that it is presented to the bank. It is only when it gets sent back to the bank for insufficient funds.

Alderman Lopez stated you do not do that the bank makes that money the first time and the second time.

Ms. Desrosiers stated and again I am not sure if...

Alderman Lopez stated the only time it comes back to us if I recollect when the bank cannot collect anymore and it comes back to us as insufficient funds and then we charge the \$30.00.

Alderman Thibault asked just to clarify what Alderman Lopez just brought up...when a check goes into the bank and it is insufficient, the bank has to go through the same kind of turmoil that you have to go through. It takes time for them to go through that and then find out that check is no good this is why they charge. It is not because they are against you but it took them a certain amount of time to find out that your account did not have those funds so that is why they charge. Then when it comes back to you the second time and you cannot clear that check that is why you charge again because you spent your time. Mike, I think that the bank at that point is not penalizing you or me, it is penalizing the account that they had to go through the same process to find out that that check is no good. That is why the bank charges you there is no other reason. The bank charges you because they spend the time looking into that check and there is no money there.

Alderman Levasseur stated I would like to support this. I think it is a good idea and I would like to make a motion that we send it off for advisement by the City Solicitor so they can send it up for statutory change.

Alderman Pinard asked Jennifer, could there be a scale we will say a check for \$37.00. Like Mike says, if you get a \$40.00 thing you are going to charge this amount. But if you had some kind of scale depending on the check.

Ms. Desrosiers asked if the check was under \$40.00 charge this amount.

Alderman Pinard replied something to that affect. It might be something to look at because Mike is right in a way and then I think the bank and the City...you have to give the people a break because some of them probably do not have that money and it is something to look at.

Alderman Levasseur stated you should not be writing checks then.

Chairman Hirschmann stated I would rather go with the harsher rule. You could pay cash; you do not have to write checks. Is there a second to the Alderman's motion.

Alderman Lopez asked if there is no second could I get a point in.

Chairman Hirschmann replied in the affirmative and stated our Deputy Finance Director, Joanne Schaffer, would be recognized after Alderman Lopez.

Alderman Lopez stated one point that I want to make very clear and you correct me if I am wrong, okay. If you go through with this and you went through and got successful this to be \$50.00 then everytime somebody needs a copy of something and everything that is a revenue thing because \$25.00 comes from this State Statute. If this was changed to \$50.00 under the revenue plan somebody could say now let's charge \$50.00 for a copy, am I correct or not.

Ms. Desrosiers replied in the negative and stated this has nothing to do with the copying at all.

Alderman Lopez stated the \$25.00 under State Law as you indicated...

Chairman Hirschmann stated Alderman, we are discussing penalties.

Alderman Lopez stated I realize that. The penalty under Chapter 80, the \$25.00 on the license fees, special assessments, water bills, etc. But the \$25.00 under this Statute comes under the revenue policy the way I am reading this it is another question down the line. If I may, Mr. Chairman, just to clarify something under the budget process six...20%...no wait a minute...under collection process under 8 of your revenue process you cannot charge more than \$25.00. The reason you cannot charge more than \$25.00 is because of that State Statute, am I correct.

Ms. Desrosiers replied in the affirmative and stated that is correct.

Alderman Lopez stated so therefore, only under Article 8 of your revenue policy you are charging the right thing under State Statute. If you change this State Statute that would give you the authority to change that particular thing and make that \$50.00 also, am I correct.

Ms. Desrosiers replied that is what our intention is.

Alderman Lopez stated that is why I do not support this.

Ms. Desrosiers stated but it would only be for collectible checks. It says right here "Checks returned for insufficient funds shall be redeposited once. An additional billing of \$30.00 shall be mailed by the respective department for a total maximum penalty allowed by law \$25.00".

Alderman Lopez asked you explain to me what is an uncollectible check and an insufficient fund check.

Ms. Schaffer replied an insufficient fund check is one that is returned to our department because we have not been able to collect on it. Basically, what we are trying to recuperate here is the administrative charges and fees that are incurred by staff people who need to make adjustments on the revenues and the follow-up of all of that paperwork after the fact.

Alderman Lopez asked and what is an uncollectible check.

Ms. Schaffer replied the same thing, an NSF or an uncollectible basically...

Alderman Lopez stated that is exactly my point. If you change the State Statute that is going to give you authority to make an insufficient check you can charge that person \$50.00 under State Statute because right now you cannot do that.

Ms. Schaffer stated that is correct.

Alderman Lopez stated that is the point that I wanted to make, Mr. Chairman.

Chairman Hirschmann stated I am recognizing the Deputy Finance Director as far as revenues.

Ms. Schaffer stated the one comment that I wanted to make on the sliding scale concept is that our research fees and our administrative work after the fact all cost the same amount of money whether or not the check has been written for \$5.00 or

\$5,000.00 so that essentially would not give us the true cost of recuperating whatever it cost us to provide that service and to do that research.

Chairman Hirschmann asked is it in this Board's capacity and authority to make this change or is this another legislative matter.

Ms. Schaffer replied in the negative and stated this would be the RSA basically in order to collect that base fee it is part of the RSA. Then in addition to that if there were any bank charges that are associated with that we could attach that onto that initial fee.

Alderman Lopez asked have you done any research with other cities and towns because I have, as far as what they charge.

Ms. Schaffer replied in the negative.

Alderman Lopez stated Nashua, Hooksett, Candia, Auburn they all charge \$25.00 and they all say it covers the expense. That is another point that I...I think that \$50.00 is high.

Alderman Pinard asked the Police Department have something like this in place for a number of years. Matter of fact, they have one officer that goes out but it is over a certain amount. Could I suggest that maybe when the Chief comes over that we could ask him or you could probably call and see what their procedures are. They have a recuperating police officer...that is all he does.

Ms. Schaffer stated they do not really help us pursue any items that are outstanding for insufficient funds currently. That is part of one of the responsibilities of the Finance Department.

Alderman Pinard stated maybe if you talk to them you could get a feel of how they go about it. Just give it a try.

Alderman Lopez moved to leave the fee as it is at \$25.00 and not go for the City Solicitor.

There being no second the motion failed.

Chairman Hirschmann asked is there a second to this motion.

There being no second the motion failed.

Alderman Levasseur stated Mr. Chairman, Alderman Thibault was going to second the motion.

Alderman Thibault stated first of all I would like some clarification because even I am confused. Are we saying now that if the bank charges \$25.00 because your check bounced that the City is going to charge \$25.00 if they look at it.

Ms. Schaffer stated one side of it is what the bank charges the individual or the account holder. I am not talking about that. Over here, we have the ability to collect the \$25.00 in accordance with the RSA plus whatever our bank charges is usually what we tack onto that.

Alderman Thibault asked what happens if you do not collect the money in whatever way.

Ms. Schaffer replied essentially what we do is we return all of that information to the original department that collected the money for that particular service or fee or whatever. It is up to them to pursue the individuals who presented the check to them.

Alderman Thibault asked do we know what percentage of that gets collected.

Ms. Schaffer replied in that instance, no, we do not have specific totals on that. That is something that as we go into the receivable area more and more we would like to be able to pursue that also.

Alderman Thibault asked but is that some of the things that we occasionally as this committee write-off because we never collect it.

Ms. Schaffer replied that is correct.

Alderman Thibault stated Alderman Levasseur has a good point here that...I really do not know how we go back to that but it would seem to me that if we could never get back to get the money then the charge should be more. If we only collect 30% of those extra charges maybe this will bring down the part that we never collect.

Ms. Schaffer stated you might have lesser incidents of people taking advantage of you.

Alderman Thibault stated maybe I am wrong but that is the way I look at it.

Chairman Hirschmann stated I would like to entertain a new motion seeing you have that figured out.

On motion of Alderman Thibault, duly seconded by Alderman Levasseur, it was voted to recommend the charge of \$50.00 for uncollectible checks through State Statute.

Alderman Lopez and Alderman Pinard were opposed to the motion.

Alderman Thibault stated we should charge \$50.00 because of how many we loose that we never could collect.

Chairman Hirschmann asked before I vote I want to ask the Finance Department, this is a recommendation from your department.

Ms. Schaffer and Ms. Desrosiers replied in the affirmative.

Chairman Hirschmann voted in favor of the motion to recommend the charge of \$50.00 for uncollectible checks.

Chairman Hirschmann addressed item 4 of the agenda:

Communication from Guy Beloin, Financial Analyst II, relative to financial statements for the six months ended December 31, 2000.
(Reports were distributed at meeting.)

Chairman Hirschmann stated we have been through six months of City business, gentlemen, and we are going to review the unaudited statements.

Mr. Sherman stated I do apologize for not getting these out earlier but where the calendar falls and the holiday it was kind of tough and Guy was just getting back into it last Tuesday.

Chairman Hirschmann stated if you could walk us through pages one through six. As we move from page to page if there are questions we will dispose of them before we move to the next page.

Mr. Sherman stated what you have on pages one and two is a balance sheet as of December 31, 2000. You will notice that we have broken out all of the funds on here. The main fund that the Board tends to focus on is the first column, which is your general fund. Keep in mind that these numbers do not include the School Department. We do not have their numbers reflected in here. The one thing I would want to point out on the first page which is something that kind of even mentioned to Wayne Robinson earlier this morning that I think the Board sometimes tends to maybe loose track of is the column on the far right. In governmental accounting you do not show your long-term liabilities on your general fund balance sheet. You do under enterprise funds but not on a general fund. So all of the general funds long-term liabilities, those that are going to be paid out a year from now are actually in that last column. Those are all dollars that you have committed to that you have not appropriated any funds to pay for. Again, as debt service comes due over the next twenty years, you will be appropriating funds for that. But I just wanted you to take a look at that number because it is a significant sum of dollars that is out there. Sometimes we do loose track of those dollars because they are not in the general fund.

Chairman Hirschmann asked in a lot of those cases those are thirty year debt stream is that right.

Mr. Sherman replied nothing on the general fund is thirty. General fund never goes past twenty. Airport does have some thirties and Civic Center is a little longer.

Alderman Thibault asked Randy, I look down and that second line of general long-term debt \$116,217,000 what are we talking there.

Mr. Sherman replied that is all of your outstanding bonds. That does include all your bonds that you have issued to do City Hall, do streets, that does include the School's debt because those are City bonds. Even though the School pays us back for them they are showed on our financing.

Alderman Thibault asked what about the Civic Center bond.

Mr. Sherman replied in the negative and stated the Civic Center is not in there because that was MHRA's debt. It would include our fiscal year conversion bonds and sewers and computers and all of those items.

Alderman Thibault stated okay, thank you.

Chairman Hirschmann stated this is the first time we see this sheet.

Mr. Sherman stated it is probably the first time we have pointed out that column. When we do quarterlies we do that.

Chairman Hirschmann asked is this a new format is that why it looks different.

Mr. Sherman replied in the affirmative and stated typically we would show it the other way and it was part of a larger package. It is getting lost sometimes and that is why I wanted to point that out.

Alderman Levasseur asked what about the \$19,000,000 for Pension Benefits is that yearly on that number.

Mr. Sherman replied in the negative and stated that is the Pension Benefits that are reflected here are for the old pension system. Prior to the Contributory Retirement System that we had what employees were allowed do is they work twenty years they could retire and collect 50% of their pay. Right now we had I believe it is just over two hundred employees in the City that are still under that old pension system. That is an actuarially determined value of what they think the City is going to have to pay out over a period of time to pay off all of those employees.

Alderman Levasseur asked so this \$19,000,000 is figured on a thirty-year basis.

Mr. Sherman replied it does go out thirty years only to the extent that you have employees living thirty years. There are no survivor benefits under that plan.

Alderman Levasseur asked what column is the new system under.

Mr. Sherman replied the new system is in the Trusts and Agency funds the column prior to that. If you actually flip to page two...I do not want to jump ahead but if you flip to page two that same column you will see the \$93,000,000 that is how much is in that trust fund at this point.

Alderman Levasseur asked so that is actually money that you have on-hand to pay those.

Mr. Sherman replied the \$93,000,000 is cash on-hand to pay future benefits. The \$19,000,000 is the liability that we have under the old system.

Alderman Levasseur asked so how does that number...you feel good with that number as far as the percentage of...on the second page...the \$93,000,000

Mr. Sherman replied in the affirmative and stated the new system is doing very well. Even with the swings in the market that they had this past year they are doing fine.

Alderman Lopez asked I am not going to go through all of these numbers because I am sure that they are right, the computer printed them out I guess. The \$116,000,000, what percentage of bond level is that for us...maybe the question is at what percent is our bond capacity does this reach.

Mr. Sherman replied the State allows you to bond based on your assessed valuation. The City actually had special legislation back in the 1950's that gave us the bonding capacity...

Alderman Lopez stated I know all of that...what is ours right now. That \$116,000,000 represents a percentage of what.

Mr. Sherman replied it is over \$300,000,000. It is something like \$327,000,000 does that sound right, Joanne. That is our maximum. The problem is if you go to \$327,000,000 what it does is it throws all your ratios "out-of-whack". When you get to the rating agencies they like to see your debt per capita somewhere around an annual amount of \$1,000. They like to see your outstanding debt at a smaller amount of your assessed valuation. Now, the State, again, allows us up to 9 ¼% but the rating agencies do not like to see it anywhere over 2 ½-3%. So even though we have capacity at the State level, Wall Street is telling us something different. They do not like to see you that high.

Alderman Lopez asked is there a way to figure out something that you could do...as you know we are going through a revaluation...is there a way to figure out what our capacity would be if we were at \$4,000,000,000 - \$4,500,000,000 - \$5,000,000,000 as to what our bond capacity would be.

Mr. Sherman replied in the affirmative and stated based on the one ratio where you are doing your outstanding debt versus your assessed valuation that is a fairly easy one. Obviously as your assessed valuation goes it gives you more capacity. But then again the rating agencies are going to turn around and say okay that is one ratio now your debt per capita has not changed. So just because you have more capacity based on one ratio does not mean you have it on every ratio. Our population has gone up which gives us a little bit more capacity. But you have to

look at all of the ratios. One of the things they look at is the amount of debt service as part of your total budget. They like to see that no more than 8-10%. Again, as maybe the budget goes up that does give us a little more capacity. But that may not be necessarily what you want to do. You do not want to “jack” your budget up just so you can...

Alderman Lopez asked I am just a little confused...when I read in the newspaper that Nashua, which is our next biggest city here, can bond \$140,000,000 for schools and I am trying to picture that in my head how can they do it and we cannot.

Mr. Sherman replied I am not certain exactly how their School District is laid out as compared to ours. You certainly could do it. Our bond rating is an AA2 bond rate. Nashua is not. There are reasons why we have that rating and one of them is because we do not go out and bond to certain levels. We certainly have, under State Law we have the capacity to do it. But you will pay for it in the backend if you go over the ratings. Again, the rating agencies are looking at that and they want to know where is the taxpayer revoke going to be.

Alderman Thibault asked Randy, Alderman Levasseur asked the question a few minutes ago about the Retirement fund, \$93,000,000, when did this year stop as far as the old retirement or the people that could get into that old retirement system.

Mr. Sherman replied it was January 1, 1974 when you needed to make the decision. They have allowed or what Boards have allowed in the past both the Retirement Board and the Aldermen have allowed are people actually to jump back and forth. So if you have somebody now under the old system who was planning on retiring maybe in 1985 and has not retired yet they still can opt into the new system. We have also had people who opted into the new system that were pre-1974 employees who have opted out of the new system.

Alderman Thibault asked at the time that the City said this is the cutoff date the monies were there to take care of this were adequate or were they adequate.

Mr. Sherman replied in the negative and stated the old system was what we call a pay-as-you-go system. The Aldermen appropriate a sum of money every year just to pay those pensions. Last year was somewhere around \$1,900,000. That is just to pay those pensions. You always have somebody new to retire, you will see those come through occasionally and so and so is retiring at Highway and others see certain people die and come off the system so you are always adding and

coming off. But you are appropriating those funds no more, no less. This is what we are telling you is that you still have this \$19,000,000 liability.

Alderman Thibault asked how much longer, Randy.

Mr. Sherman replied again, it all depends on how long all the participants live because it is right until then. But the schedule that adds up to this \$19,000,000 is going out thirty years. Some of those employees are still in their 40's.

Alderman Thibault asked but you look at 1974 that we stopped it...we are going to be coming to an end on this probably.

Mr. Sherman replied this roughly just over 200 there might be close to maybe 30 that are actually still active employees working.

Alderman Levasseur asked as far as the land foreclosure is the EPA paying for that.

Mr. Sherman replied we do have a grant that we are getting some money on. Most of that we are financing through the State revolving loan fund. So when we actually signoff on the final documents we are probably going to be talking about 2-2 ½% loan so it is a real good deal that we have through the State. But there are some grants but not a lot.

Alderman Levasseur stated I saw a number of \$37,000,000 in the EPA fund that we have hidden somewhere.

Mr. Sherman stated that was more for EPD and the Treatment Plant.

Alderman Levasseur asked so there is a difference between those two.

Mr. Sherman replied in the affirmative.

Chairman Hirschmann asked on that first page under assets it says "Due from other funds" 1.5 million who is that due to.

Mr. Sherman replied that is all from the Aggregation Fund. If you actually look over at the enterprise down under liabilities you will see that same \$1,538,000.

Chairman Hirschmann stated I am looking at the liabilities column and I do not see that number.

Mr. Sherman stated it is about the sixth one down...again you have to go four columns over under Enterprise.

Chairman Hirschmann stated okay I do see it and asked that is an Aggregation receivable account.

Mr. Sherman replied in the affirmative and stated that is the cash that you have fronted to that program. Even though there are some revenues coming in we have had that cash deficit that is fluctuating back and forth.

Chairman Hirschmann asked under Liabilities, Randy, it says, "deferred revenue column" under General Funds \$6,000,000. What is that deferred revenue of \$6,000,000.

Mr. Sherman replied most of it is the uncollected property taxes at the end of the year that we cannot by accounting rules count as revenue. Anything we have not collected by the end of August we cannot...that is about half of that.

Chairman Hirschmann asked do we show School liabilities on this.

Mr. Sherman replied about \$2,000,000 of that \$6,000,000 is from the School Department.

Chairman Hirschmann asked then when we flip to the next page, under Fund Balances on the line item it says School District \$850,000 balance in the General Fund, what is that.

Mr. Sherman replied that is the \$850,000 that the Board voted back in November to give to the School Department to cover last year's deficit.

Chairman Hirschmann asked we just have not given it to them.

Mr. Sherman replied in the affirmative and stated we have not made that transfer at this point.

Chairman Hirschmann stated we really do not need to because they owe us money, right.

Mr. Sherman replied we actually received funds from them last week paying about 1.3 million of what they owed us for last year. They still owe us another

\$1,500,000 in charge backs for last year. Although they have paid about 1.5 million of 2001 charge backs they still owe us for last year. Page three is the budget first actual on the expenses. The only thing that I really would like to point out here...if you look at the Welfare Department what they have unobligated at this point is 48%. Again, we are halfway through the year and that does not look that bad but Jackie Whatmough was in our office yesterday and they are real concerned about their rental line item. They have spent about three-quarters of that budget already and she is concerned that she probably only has a couple months worth of dollars left there. We have asked her to send a letter to the Mayor and to the Aldermen to inform them of that fact that she may need to come back in and tap contingency at some point depending obviously on how the economy goes over the next six months. So I did want to point that out to you. Even though she looks okay she has some real concerns on that line item.

Chairman Hirschmann asked being a six-month statement almost every department should be at 50% unobligated. So if they were close to 50% you would say they are doing a good job if they are a little less or a little more.

Mr. Sherman stated I would also like to point out is in that bottom section of the Non-Departmental items...the fourth one up from the bottom where again it is the school charge backs...I just want you to know that departments at this point...if you look at the 1.7 million that is all they have built out so far as far as charge backs for this year. About 1.5 million of that has already been paid.

Chairman Hirschmann asked Randy, it probably just has not been transferred but it says MCTV has only obligated \$10,000 at this point.

Mr. Sherman replied in the affirmative and stated we have only gotten one bill from them.

Chairman Hirschmann asked so do we owe them...is there a problem there.

Mr. Sherman replied I assume that there is some liability there but we have only paid that one bill. I did also want to point out the very last line that Health Insurance Audit...if you recall the Board appropriated \$2,000,000 expenses, \$2,000,000 revenues. We have signed the contract on that. The first request for information has gone out to Blue Cross and our other third party administrators. We hope that maybe within the first quarter of 2001 we actually start to see some revenues coming in on that. They seem to think that maybe ninety to one hundred twenty days they would start to see some action on that.

Chairman Hirschmann asked so that \$2,000,000 is going to be drawn down.

Mr. Sherman replied in the affirmative and stated for every dollar that they collect they will keep 36%.

Chairman Hirschmann asked is this an administration agreement.

Mr. Sherman replied in the affirmative and stated you will actually see \$1.00 flow into revenue \$.36 go out as an expense.

Alderman Levasseur asked as far as the CIP program 3.57%...that seems like a pretty low number with six months to go or are we okay with that.

Chairman Hirschmann replied we expedite that...we give out a lot of the money early to get the projects flowing.

Mr. Sherman stated those are all your CIP projects that you are funding with cash.

Alderman Levasseur asked I am just wondering about the percentage as far as six months, not a problem.

Mr. Sherman replied in the negative and stated that is not a problem because typically we start all of those up in July or August. Why this \$92,000 has not been started...the project is never going to happen.

Alderman Levasseur asked what about contingency at 100% is that normal at this time.

Mr. Sherman replied it is pretty tight at this time especially where Welfare may be looking for something in that range.

Chairman Hirschmann stated the 50% I was talking about the agencies, which are up top. Down below there is going to be draw downs early in the year and later in the year in a lot of these funds.

Alderman Levasseur stated I am thinking if anybody knows we have \$101,335 in there that there is going to be a run on that money in the next six months.

Mr. Sherman stated that is why I caution you on Welfare to maybe guard those dollars.

Chairman Hirschmann stated now if you look at the next page, the 54% is unrecognized for the agencies so that we are actually probably ahead of schedule. We have a little fund balance in there.

Mr. Sherman stated the next page is revenues...are we all set with the expense.

Alderman Lopez asked on the school charge back just for the record, that does not include interest is that correct.

Mr. Sherman replied that 1.7 million does not include interest.

Chairman Hirschmann stated now we are onto revenues.

Mr. Sherman stated as Alderman Hirschmann said we are halfway through the year we should be right around that 50% mark. Certain revenues do come in at different times...certain licenses go out.

Chairman Hirschmann stated a high number there is bad so you want 50%...if you see 80% we are tracking behind.

Mr. Sherman stated for example one thing I would point out here the fourth item down we have City Clerk if you go over to the right you see 80% uncollected. A lot of their dollars are the cable franchise fees. If you recall when we did the budget we had \$500,000 in there that we thought we were going to get from the cable company up front. When we finally ended up negotiating that contract we did not get. That is \$500,000 right there in that line item that will not be coming in. But we are still doing okay on our revenues. We are still on that 50% range.

Alderman Thibault asked Randy, I would just like to go back a little bit here of what you just said that...we were talking about the interest on the schools...has that been settled now. Are we going to be getting this interest or are the schools still going to get it.

Mr. Sherman replied what the Aldermen did last year is they voted to not charge interest on the charge backs so for Fiscal Year 2000 we backed that interest out and we did not take interest. But what we have on the School Department is a daily cash flow balance so as soon as the Tax Collector collects taxes we post it in that account and we start calculating interest on it. As soon as we pay debt service we post in that account we start charging interest on it. Those balances fluctuate so that account is always going up and down and interest is being charged on the daily...over...the highest rate that the City gets.

Alderman Thibault asked as of last year.

Mr. Sherman replied starting as of July 1 we started. So anything that is unpaid from last year is in that number and there is interest being calculated on that.

Chairman Hirschmann stated I would like to report this out of committee to the full Board instead of just accepting it.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to refer this report to the Board of Mayor and Aldermen.

Alderman Lopez asked do you know the patrolman that...on the towing...do you know of any special arrangements where the patrol people...the money comes out of that account with the Police Department versus revenue coming into the City.

Mr. Sherman replied in the negative and stated my understanding the way that works is because they need citywide coverage during a snow emergency, the Police Department actually calls in extra officers with the sole intent of doing traffic patrols...to look for cars so that streets can be plowed. It is my understanding that the revenues that they collect from the towing, the first dollars out of those revenues are to pay for that overtime for those officers.

Alderman Lopez asked is that written or by ordinance or...

Mr. Sherman replied I am not sure...we would have to go back.

Alderman Lopez asked could you research it for the whole committee because the Chairman is going to talk to the Police and he should have that if there is an ordinance.

Chairman Hirschmann stated they are going to come before us, Alderman.

Chairman Hirschmann addressed item 5 of the agenda:

Communication from Jennifer Desrosiers regarding open invoice reports.

Ms. Desrosiers stated something must have occurred in the photocopying of this and it did get a little bit out of place if you noticed. The one thing that I did want to bring back up again at this time is the inter-departmental billing between certain

departments and that went to the full Board and just got “received and filed” and it is still going to sit on my Aging Report so at some point we will need to know...

Chairman Hirschmann stated one of the ones that we do have to discuss that I remember is the Board took action relative to the Water Works paying a charge back from Human Resources so I spoke with Howard and there is going to be a problem with...I do not know if we write that off or how that is handled...that is a revenue that he is not going to receive. So that has to be...the full Board acted on that so the Finance Office has to help the department head through that issue.

Ms. Desrosiers asked so that is going to be in the next write-off list then.

Chairman Hirschmann replied I would say that the full Board did approve that, yes.

Alderman Lopez stated it was item four on page three code 19.

Ms. Desrosiers stated it is the \$7,333.24.

Alderman Lopez stated I have \$14,560.96, am I correct.

Ms. Desrosiers stated that is the CIP Department.

Chairman Hirschmann asked this Aging list, is this different than last month.

Ms. Desrosiers replied this is a current up-to-date list so every month as payments are coming in, accounts are coming off the list as new ones are being put on...or reaching this Aging limit they will be added on.

Chairman Hirschmann asked are you showing us all the +90's...are you giving us the current too.

Ms. Desrosiers replied in the negative and stated just everything over ninety days for the full...it is only School and the inter-departmental that I am showing you everything that is due.

Alderman Lopez asked Mr. Chairman, would a motion be in order to make sure for the Human Resources that we take a motion to write-off that for the Water Works per Board order, is that necessary.

Chairman Hirschmann replied I would entertain the motion because we did move to do that as a full Board so I would accept a motion.

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted to write-off the Water Works bill from Human Resources for charge backs.

Chairman Hirschmann stated as far as the rest of these ninety-day accounts are there any that anyone wants to discuss.

Alderman Lopez asked first of all I do not see any code 34 in the ledger.

Ms. Desrosiers replied I am sorry, you are right...there are actually two other codes 34 and 35 and those are both for the Police Department.

Alderman Lopez asked how about 33 is that the Police too.

Ms. Desrosiers replied in the affirmative and stated one is extra detail and the other is just for federal.

Alderman Lopez asked on page 26 code 65 Manchester Professional Hockey is over 3 ½ years old. Could somebody tell me after three years...

Ms. Desrosiers replied we legally couldn't pursue them. That was one that had been sent to the collection agency. I believe they made one \$500 payment back in September and then they made no further payments. I am not sure if that was included in the list that I sent to the Solicitor.

Alderman Lopez asked what do you want to do with it. If it is over three years old and we cannot collect it what are we going to do.

Ms. Desrosiers replied the problem is that they started paying so I thought that they might come through and actually pay something so I was waiting.

Alderman Lopez stated contact them and maybe you will get another \$500.

Ms. Desrosiers stated I just want to bring to your attention that is an Enterprise Fund invoice it is not a General Fund.

Alderman Pinard asked Jennifer, Intown Motel and Cadillac how do we collect from them.

Ms. Desrosiers replied we almost never collect from them. Those were submitted to the Solicitor and I cc'd you all on that with a list of the invoices that were being sent to Solicitor's for their disposition and they are not here so I am not sure what they have done with it.

Alderman Thibault stated they are out of business.

Alderman Pinard asked is there a way...these people are in business...more than one business I understand there has to be a way either shut them down temporarily until they pay or just give them a carte blanche forever because I do not think it is fair that we not collect this from a running business.

Chairman Hirschmann stated today on our agenda, our Solicitor is not here, but if you remember our last meeting we sent the Solicitor off to work on a policy for that issue, do you remember that.

Alderman Levasseur stated I do not think he ever did anything about it but we did tell him to.

Chairman Hirschmann stated and it was a very stern...

Alderman Pinard asked could you refresh the memory of our City Solicitor on this, I think it is very important.

Chairman Hirschmann replied I would personally call him to see how he is working on his homework. With the 90 day Aging I have one concern and it is Customer Code 10 and Randy, I am going to ask you because that is the Aggregation Enterprise. It seems we are getting a lot of +90's in the Aggregation area on page 26 totaling \$50,000. We have Library, Parks, Water Works, EPD and AGF Direct Gas five invoices for \$50,000 could you...because Aggregation is your "puppy" could you chase that around and get that \$50,000 for us.

Mr. Sherman replied let me tell you what those are and...one of the programs that Ms. Parsons is running over there is Energy Efficiency Measures. She has a contract with Advantage and what they do is they come in...they will do an energy audit. For example, they went over to the Library and they came out and said listen if we change out your lights this is how much you will save and it will pay for itself and they go through all of that. Once the Library decides that they want to go forward or the department decides that they are going to go forward with that program there is a fee that she then charges to that department. But they do not pay the fee until the project is done. She is billing them for those fees but because

the actual construction is not done they have not paid her for those. That is why they are on there.

Chairman Hirschmann stated we have an administrative problem here where these are being labeled as +90 accounts when in fact until those projects are closed out these invoices should not be generated.

Mr. Sherman stated but she is an Enterprise Fund, which is a little bit different again than a General Fund. She has earned her revenue. She has booked her receivable. They have not, at this point, recognized the expense.

Chairman Hirschmann asked and how long would that take...the same calendar year or...

Mr. Sherman replied in the affirmative and stated the Library is probably almost close to being done doing their work. Keep in mind, some of these things require funding for example, I believe EPD put money into this year's CIP to do their project. So even though maybe the Energy Audit was done a year ago, they say that is good we want to do the project and then we have to go back to the Board and get funding. I tend to agree. Some of these 99's look like they have been there a little bit long.

Chairman Hirschmann stated it just does not make sense administratively that we carry these as a 90-day-old receivable when the projects are not done. It does not make sense. There is a problem here that we have to discuss with the Aggregation Program woman Tina Parsons.

Mr. Sherman stated I know Water Works is just waiting for their new budget. They are ready to pay they just are waiting for their January 1 budget because they are on a calendar year and then the Water ones will be coming up.

Chairman Hirschmann stated as long as we know on this committee that this money really will be owed to us but it really is not old yet so we understand that. Thank you, Randy.

Ms. Desrosiers stated the AGF issue which is very small you will be seeing one more at least coming on...they have filed for bankruptcy so we probably will not collect that.

Chairman Hirschmann asked the people we signed a gas contract with filed for bankruptcy.

Mr. Sherman replied in the affirmative and stated but let me add one thing...they guaranteed as part of that contract 5% savings if you recall, we are sitting with \$25,000 of their cash as a guarantee against that 5%. So right now that is...if you go back to the balance sheet that you have you will see that \$25,000 is on that balance sheet.

Chairman Hirschmann stated make sure you carry that do not let that disappear.

Mr. Sherman stated so that is sitting there, as the offset and we will be collecting these fees and taking that out of that \$25,000 once it all gets resolved.

Alderman Pinard asked code 52 that is all the parking spaces around the City, how are we doing with that, who is collecting that money.

Ms. Desrosiers replied that is the Traffic Department. Collections are their responsibility, each department's responsibility although I "hound" them as much as I possibly can.

Chairman Hirschmann asked Wayne Robinson of the Mayor's Office would you be kind enough to come up to a microphone because at our last meeting we discussed that. There was a parking lease, Wayne, that maybe the invoices should be broken up...remember us discussing that at our last meeting we sent you off on a mission.

Ms. Desrosiers stated it is on page 15 C P Management, Inc.

Chairman Hirschmann stated my recollection was maybe they were invoiced incorrectly which I mentioned last month.

Mr. Robinson replied the one I was given the task to look at was C P Management...I did not look at anything else. I do not know.

Chairman Hirschmann stated C P Management is on this report, what my question is did we bill them incorrectly or are these legitimate receivables.

Mr. Robinson replied in the negative and stated the lease payment or the make up payment had not been negotiated.

Chairman Hirschmann asked no one has performed that at this point.

Mr. Robinson replied it is in the City Solicitor's Office it is between lawyers.

Ms. Desrosiers stated I did get an Email from Denise late last week telling me that she had spoken to the woman at C P Management and that they were going to be sending a check for the full amount this week.

Chairman Hirschmann asked for \$55,000 or \$71,000.

Ms. Desrosiers replied I believe they are paying everything that they owe.

Chairman Hirschmann stated \$71,617.33...okay I guess that is all, Wayne, good job. Jennifer Desrosiers worked hard and got the money out of C P Management, thank you.

Alderman Lopez asked at one meeting we discussed about the details for the Police for the money to be paid up-front, has anything been done on that.

Ms. Desrosiers replied that was sent to the City Solicitor so I am not sure what they have done.

Chairman Hirschmann stated it is one of our Solicitor policy issues, Alderman. We are just going to leave this alone, we are not going to write anything off we are going to have Jennifer keep reporting back every month on this. Thank you, Jennifer. It sounds like we got some work done this month. Item 6 we are going to move to Communication from Robin Descoteaux regarding interdepartmental billing.

Chairman Hirschmann address item 6 of the agenda:

Communication from Robin Descoteaux regarding interdepartmental billing.

Ms. Descoteaux stated I am just here to get your consent to have me look into doing interdepartmental billing in the HTE system. What I have heard in the past is departments do not like to be charged against their budget for interdepartmental billing. For instance, when we do the Airport billing and other departments for instance when Information Systems purchases computers for another department and it is out of their budget. But HTE has a work order system. It has interdepartmental billing that could save a lot of time on your staff personnel, a lot of cost that is being generated through toner, staff time, the charges from the bank

for taking a check from one department to another and processing at the bank and our department reconciling this check which is just going from one department to another. I find it is going to be a very time saving technique.

Chairman Hirschmann stated what I would like to do with this issue is that I would like you to state how it works exactly now and how do you want it to work in the future. Give me an example...is there a bulk purchase that you are talking about or is this a daily thing that you want to do. We need some history to discuss this. We do not want to get right into the middle of it; we want to start way back at the beginning.

Ms. Descoteaux replied I came across from one department that...for instance, Information Systems will order something...a computer for, we will say, the Police Department. Police Department then puts in the system a purchase order to Information Systems. Information Systems then puts in another purchase order to the vendor to purchase their computer. Then they go through the process of cutting a check to the vendor to pay for the computer that they have. Then after, once they pay that purchase order, their staff now turns around and does an Accounts Receivable invoice to the Police Department so that their Accounts Payable staff can sit there and cut an Accounts Payable check to Information Systems and it is just General Fund money. Then the check is cut and we go through the process and everybody signs off on A900 reports and a check is cut. It has gone through the courier then it goes to, we will say Information Systems. That same person who now has paid a bill, done an invoice and now she is going to deposit a check and she is going to send the paperwork processing the cash receipt and depositing the check at the bank for us to reconcile this. I do not understand. Then you have the fees that are associated with the bank when through work orders which Information Systems uses work orders...we can just put in interdepartmental expense line for the department. It will generate interdepartmental and then they can see the expenses that are hit. Everybody has the access...they can run a report that shows the expenses that are being charged.

Chairman Hirschmann asked how many work orders or invoices would you save by implementing this is it hundreds...thousands...is it...

Mr. Sherman asked how do we do all the Union Leader bills.

Ms. Descoteaux replied each department pays their own.

Mr. Sherman stated so it is just Information Systems, the Airport...you have a lot that you are billing. Everytime that Information Systems...they have the authority

to buy computer equipment and most of us buy our supplies from them as well. So you will have a lot of that going back and forth. How do we do Gas.

Ms. Descoteaux replied Gas they are now doing it through Inventory. They used to do that through checks and the last department that finally signed on doing it through Inventory was Parks and Recreation. But now they do not even cut a check that is one more step and they approve it and it is in and out and there is no paper there is no cost associated with it. You are talking the Finance staff time we have a person who audits bills. Then you have the cash side where she is cutting checks and they are reconciling deposits. It is all interdepartmental expenses. There is a lot of time put into this when with work orders you assign the work order to your purchase order. You can run the billing charges that are associated with that work order. Any department can run it. Then say okay yes I agree this is my charge and then this way you are reconciling cash is not spending the time reconciling a check.

Chairman Hirschmann asked if Information Systems bought thirty computers and they were going to go to different departments would they create an invoice for those thirty computers and bill each department and then they just pay those thirty bills.

Ms. Descoteaux replied she does not do that because I tried to get her to do...they do a work request by the departments. I said is that not suffice enough that this person is giving you the work order and she said no a lot of times they will not pay them unless they have a purchase order. So then we tried to do another route where you can put it in as inventory so she can issue it out to the departments and charge it that way. Then we do interdepartmental billing for Airport and that would be another one that we would not have to cut the check and that would eliminate those fees also. We have the system it is there.

Chairman Hirschmann asked what are we purchasing for the Airport.

Ms. Descoteaux replied they do quarterly billings to Airport...

Mr. Sherman replied it is almost like a charge back to the School...they get charged Finance time, they get charged Information Systems time, Solicitor probably charges them, Risk charges them, HR charges them. It is really no different then we have with the School Department.

Alderman Pinard asked this is all confusing...what is the tractability on any of this stuff. You are making it very hard to understand for everybody.

Ms. Descoteaux stated that is why with the system that we have everybody has access to all of this information. To cut a check is more time consuming and you have more staff time being used on this process when it is not necessary. We bought this system to use it and it is not being used.

Alderman Levasseur stated I make a motion that we move on Robin's request.

Alderman Lopez asked it is a maze that you got here but I think what you are trying to accomplish deserves credit and if you could show the cost savings and everything else that you are talking about that is what TQM is looking for too. That is one point. The thing I want to clear up in my own mind is this an operational procedure in the Finance Department in doing the bookkeeping and everything else for the departments and not taking away any authority from the departments.

Ms. Descoteaux replied in the negative and stated I was not taking away any authority. This would ease a lot of time from their staff so that they could work on other things.

Alderman Lopez asked then would you consider...looking at the document the difference between the Revenue Policy and this particular document I would call this an operational document of Finance. Would you call that an operational document.

Ms. Descoteaux replied in the affirmative.

Alderman Lopez stated looking through these documents and what you are talking about here is all "Greek" to me too. That is the person that has to put all the information in to make sure all the numbers come out correct, am I right.

Ms. Descoteaux replied in the affirmative and stated and that could be where you loose a lot of information.

Alderman Lopez asked so if it is an operational thing...

Ms. Descoteaux stated everybody benefits from it.

Alderman Lopez stated I agree with you but I am saying if it is an operational thing then I think department head Kevin and Randy ought to get with you and sanction it as an operational of the department. I do not know why we would even

get involved in the operational department aspect. We are not making a policy here. All you are doing is trying to go through these procedures to make sure the right information is given to you and cut down the time and cost.

Ms. Descoteaux replied in the affirmative and stated but yet I found out from people that departments do not want you to touch “their budget” they do not want you to post their expenses and so that is why I want to get someone to support me so I could present this to department heads and show them how much this would work and more efficient for their department.

Alderman Lopez stated well then my suggestion would be this...I think you hit on something and I think there might be a cost saving but I think that Kevin and Randy should get with the departments in order to sell this to departments because I think that if...personally I would not vote on it tonight for the simple reason that departments have not been informed and there will be a lot of “out-cry” there. Finance is trying to take over everything...

Ms. Descoteaux stated the departments would do all this and I just wanted your backing to say okay let's go to the department heads next.

Alderman Lopez stated you ought to explore it and have your Chief Finance Officer to go to departments with yourself to explain to them and see if they buy into it and see what the problems are. I do not know what the problems are but I think you hit something there that might be of value.

Chairman Hirschmann stated the procedure that you are proposing sounds like it is going to save an awful lot of time and energy. What I would like is to get the Business Service Officers or the Department Heads of all these accounts that are going to be drawn from to agree in principle that...show them what you have presented to us...it makes a little bit of sense but this is a little comprehensive for even us because we do not work with the HTE system so this really does not make too much sense to us. I would like the Business Service Officers and the financial people of each department to get a copy of this and then we could come to an agreement that this happens and everyone is on the same page and nobody is going to say they did or they did it...we all did it together. Can I have agreement to that.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted to forward interdepartmental billing proposed procedural change to the Business Service Officers and Department Heads.

Chairman Hirschmann stated we would take it up at our next meeting if anyone was really aggressively opposed they could tell us why they would be.

Alderman Lopez stated we skipped one item here. It is in here...what is the draft Revenue Policy in here for.

Chairman Hirschmann stated that is a tabled item. We are getting to the tabled items. Are there any motions to take any item 7 through 9 off the table for any reason.

Alderman Lopez asked is that the revenue one...where is that one at. I do not see it on here. My package is put together where between pages 5 and 6 we have a Revenue Draft Policy where is that.

Chairman Hirschmann asked Jennifer, Alderman Lopez had you...he provided like three or four sheets of questions with the Revenue Policy and you were going to work on that or someone was going to.

Ms. Desrosiers replied in the affirmative and stated Joanne and I went back to our department with Randy as well and I think Sharon was there as well. We revamped a lot of it however, after we did that and we had also spoken with the Mayor at the same time we felt that this is an important issue and that we needed to bring it before all the department heads so late in December (the third week in December). I emailed it out to all the department heads as well for their input and that is why it is not ready at this time.

Alderman Levasseur asked what is this...did we as Accounts and Enrollment Committee allow that list to go forward or was that a list on Mike Lopez's own behalf.

Chairman Hirschmann stated Alderman Lopez did some work while he was sick and we allowed him to bring it to the Finance Department to workshop revenue policy and they would get back to us. Now that the department heads...

Alderman Levasseur stated I do not remember the list.

Chairman Hirschmann stated it was at the end of the meeting...it was a comprehensive list of a few issues.

Alderman Lopez asked that is the reason I looked at the draft here. A lot of things have been changed in here that is why I was wondering...I did not find it as a tabled item.

Ms. Desrosiers stated I do not know how it did not end up on the agenda.

Alderman Lopez stated it is not listed as a tabled item and that was my question to the City Clerk.

Chairman Hirschmann stated it is probably good that it is on the agenda as a tabled item so we do not forget it.

Ms. Desrosiers stated it should be in addition to the ordinance. The Revenue Policy is a separate issue from the ordinance. So the two should probably be listed together as the tabled item.

Chairman Hirschmann stated we know at this time it is not ready and they are going to come back.

Ms. Desrosiers stated and we are still waiting for some wording from the City Solicitor.

Alderman Lopez stated I just want to make sure that the City Clerk realizes it was a tabled item on the Revenue Policy, which we do not have listed as a tabled item.

Chairman Hirschmann asked so you are saying item 8...it is labeled as item 8.

Ms. Desrosiers replied in the affirmative.

Chairman Hirschmann asked did you look at your cover sheet it says item 8 in the back.

Alderman Lopez replied I do not have an 8.

Chairman Hirschmann stated in the back of your agenda, your revenue policy all the sheets are labeled.

Alderman Lopez stated I am talking about the agenda.

Chairman Hirschmann stated I understand that but...

Alderman Lopez stated I understand I have the Revenue Policy...

Chairman Hirschmann asked and what is it numbered, Alderman. The Finance Office is working on this with the department heads and they are going to come back to the committee with a recommendation whether it is on the agenda we will take it up absolutely.

Alderman Lopez stated I noticed in the Revenue Policy you took out the City Clerk 110 and 92 and 93 please that we had in the original document.

Chairman Hirschmann asked what page are you reading from, Alderman because I do not know what you are reading from. Is there something on the agenda that you are reading from.

Alderman Lopez replied I was talking about the Revenue Policy.

Chairman Hirschmann asked so it is something separate that we do not have.

Alderman Lopez replied in the negative and stated the original document indicated 110.2 92.04 and 93.15 in the original document that you presented to us. In the revision draft document those items are not listed.

Ms. Desrosiers replied in the affirmative.

Alderman Lopez asked is there a reason.

Ms. Desrosiers replied the draft policy included the ordinances that I felt were in...may have been in addition to the policy that we are creating. One of the bullets right before that it says "other sanctions, license or permit revocations shall be pursued in compliance with applicable current ordinances listed below" meaning I do not want this to overstate anything that is already currently an ordinance. That is why that page was included in the beginning. Now it still says that under the collection structure piece. It still says that verbatim, however, I think that needs to be changed to just state that it will not...or that the other sanction shall be pursued in compliance with applicable current ordinances. I will not list them out because if you are a department and you have an ordinance that governs your collections in a manner that is separate from the policy that we have.

Alderman Lopez stated I agree with you that we would have to attack those ordinances separate. I will not hold up the rest of the committee. I have a couple of other items but when it comes back to us or I will talk to you in a few minutes.

Alderman Thibault asked maybe I would like to address the City Clerk. There is something that was supposed to be on the table that is not on here and could we just make sure that it gets on the next committee meeting.

Chairman Hirschmann stated I just clarified with the Clerk there is a mistake on the agenda where two items were combined under item 5. There should have been a separate item.

Ms. Desrosiers stated it just said the ordinance it did not say the...

Chairman Hirschmann stated we are going to keep that as an open item on our agenda and Jennifer will report.

Alderman Lopez asked I asked for a copy in my letter and the rest of the members can get a copy too is the Revenue Handbook.

Ms. Desrosiers replied in the affirmative and stated that is a work-in-progress. That has not been updated since 1996 so there are a horrendous amount of changes that need to go into that book. I can only project for you that would be ready...it is a huge document. It is about seventy pages. I want to say a final draft copy may be ready for March maybe. I am doing it...it is just that I...

Alderman Lopez stated when you get one soon...

Ms. Desrosiers stated I would be most happy to share it with everyone.

Chairman Hirschmann asked Alderman, you have a current copy of what is in effect the 1996 or 1997 book. Could you at least get the panel members the existing Revenue...

Alderman Lopez stated Mr. Chairman; I do not need it. I want the current because a lot of them have changed and she just said they have not updated it.

Ms. Desrosiers stated the old one has actually the old numbers and everything it probably would not be useful.

Alderman Levasseur stated do not give it to me either I do not want to read it.

Ms. Desrosiers stated although there is a draft copy because I did send that out to the department heads as well. There is a draft copy out on the word processing...you could get it off the "G" drive under Finance.

Chairman Hirschmann stated we do not have a computer to access the "G" drive. We will take that up another day. Kevin Buckley, there is a question or two from the committee and then we are going to adjourn.

Alderman Levasseur asked the last meeting or two ago we made a motion to have Intown provide this committee with the check register and it has not been provided. Have you heard anything from them or any response or has a letter gone out to them since.

Mr. Buckley replied we have recently as yesterday sent them out an information request letter requesting a large range of stuff from Intown. I do not expect to hear from them for awhile because it was quite a list that we were requesting from them.

Alderman Levasseur asked is it normal, Mr. Chairman, that when an Account Committee makes a unanimous vote on a request and it has been eight weeks that we would not even hear anything from them. I know you sent that letter out, right Kim.

Ms. Therrien replied in the affirmative and stated it went out on December 12, 2000.

Chairman Hirschmann stated the committee did make some votes to look at things, audit things. They are an outside entity of the City that is doing business with the City and it is not a regular City department. It has taken some time there have been meetings to discuss extensive audits, criteria of audits and who is going to perform the audit. We have gained the ground and we are moving in a forward positive direction and thanks to Kevin Buckley and his hard work and the Finance Department's work and the Mayor has been involved in these discussions and it is moving forward so I think that is where we lie.

Alderman Levasseur asked there is talk about there being an outside audit by Bassett, is that not going to happen it is going to be within your department so it will not cost as much as everyone thinks.

Mr. Buckley replied in the affirmative.

Alderman Levasseur asked so it is not going to be a \$30,000 audit.

Mr. Buckley replied in the negative and stated it will not be a \$30,000 audit.

Alderman Lopez asked Kevin, how hard would it be for you on a monthly basis to give us a one page of all the things you are working on and just a small status as to maybe you are going to complete this audit in sixty days, thirty days, ninety days, six months...whatever the case may be and what you are working on.

Mr. Buckley replied it would be no problem at all.

On motion of Alderman Lopez, duly seconded by Alderman Pinard, it was voted that a monthly report with his progress of the audits be given by the Internal Auditor, Kevin Buckley.

Alderman Pinard stated if I recollect at the last meeting we were talking about Riverfest and \$15,000 and I think Alderman Levasseur through all the commotion was asking if there could be an audit of Riverfest. The numbers were not matching.

Alderman Levasseur stated the question, Mr. Chairman, was based on the amount of people that were going through the gate, we asked them how many people went through the gate and the gate number did not match the revenue number and I think that was the question that was asked and we never got a response to that.

Alderman Lopez stated we have "bigger fish to fry".

Alderman Levasseur stated they had something like 60,000 people come in, Mr. Lopez, and they only got \$90,000 in gate revenue so you figure it out.

Chairman Hirschmann stated here is what I will ask to distribute to the Accounts Committee and I do not know if I would ask this of Kevin or Randy or if you want me to go through the Internal Auditor just to...if Riverfest has a balance sheet or a sheet showing their income and their expenses just to pacify the committee for this year 2000 I would appreciate that. Thank you.

TABLED ITEMS

Accounts Receivable Tentative Write-Offs Not Recommended by Finance.

(Tabled 10/24/00)

Proposed revisions to ordinance governing outstanding accounts receivable.
(Tabled 10/24/00 to allow Finance to meet with City Solicitor and
Information Systems.)

There being no further business to come before the committee, on motion of
Alderman Thibault, duly seconded by Alderman Pinard, it was voted to adjourn.

A True Copy. Attest.

Clerk of Committee